

CALIFORNIA DEPARTMENT OF AGING
1300 NATIONAL DRIVE, SUITE 200
SACRAMENTO, CA 95834

AMENDMENT TO TITLE 22, CALIFORNIA CODE OF REGULATIONS
REGARDING AREA PLANS-ALLOCATION, USE AND TRANSFER OF
FEDERAL FUNDS

PROPOSED TEXT

Text proposed to be added to the California Code of Regulations is displayed in underscored type. Text proposed to be deleted is displayed in ~~strikeout~~ type.

Section 7314. Allocation, Use and Transfer of Federal Funds

(a) From its annual federal allocation of funds for Title III programs, the Department shall retain five percent of each program's allocation for its administrative costs. The Department shall allocate the remainder to the AAAs in accordance with the following:

(1) Up to ten percent of the remaining Title III federal funds shall be allocated to the AAAs for administration of the Area Plans in accordance with Section 9112, Welfare and Institutions Code. Only funds from Titles III B, C-1, ~~and C-2~~ and E shall be allocated for the allowable ten percent in accordance with 42 U.S.C. 3024(a)(1).

(2) Of the remaining Title III B federal monies, funds shall be allocated for the Ombudsman program in accordance with Section 9719.5, Welfare and Institutions Code and the balance shall be allocated for other Title III B program costs in accordance with Section 9112, Welfare and Institutions Code and applicable federal law.

(3) The remaining Titles III C-1, ~~and C-2~~, and E federal funds shall be allocated in accordance with Section 9112, Welfare and Institutions Code and applicable federal law.

(4) ~~The federal funds for Titles III D and F~~ federal funds shall be allocated in accordance with Section 9112, Welfare and Institutions Code and applicable federal law.

(5) Title VII federal Ombudsman funds shall be allocated in accordance with Section 9719.5, Welfare and Institutions Code and applicable federal law. Title VII federal Elder Abuse Prevention funds shall be allocated to all AAAs in accordance with Section 9112, Welfare and Institutions Code and applicable federal law.

(6) Titles III and VII federal funds allocated to an AAA in a state fiscal year that are not expended or encumbered for services provided by June 30 of that fiscal year shall revert back to the Department. These funds shall be re-allocated to all AAAs, in accordance with the formulas used for the original allocation of the Title III or VII federal funds. The use of the re-allocated funds shall be restricted to the purposes specified in (a)(9) of this section. These funds shall not be used to increase an AAA's baseline allocation.

(7) Titles III and VII federal funds recovered from an AAA as a result of a fiscal audit determination and resolution by the Department shall revert back to the Department and be re-allocated to all AAAs, in accordance with the formulas used for the original allocation of the Title III or Title VII federal funds. The use of the re-allocated funds shall be restricted to the purposes specified in (a)(9) of this section. These funds shall not be used to increase an AAA's baseline allocation.

(8)(A) Supplemental Title III and Title VII program funds allocated by the Administration on Aging to the Department as a result of the federal reallocation process shall be allocated to all AAAs in accordance with Sections 9112 and 9719, Welfare and Institutions Code. These funds shall not be used to increase an AAA's baseline allocation.

(B) Supplemental Title III and Title VII program funds not expended or encumbered for services provided by June 30 of the state fiscal year shall revert back to the Department and be re-allocated to all AAAs, in accordance with the formulas used for the original allocation of the Title III or Title VII federal funds. The use of the re-allocated funds shall be restricted to the purposes specified in (a)(9) of this section. These funds shall not be used to increase an AAA's baseline allocation.

(C) Supplemental Titles III B, C-1, C-2 and E administration funds allotted by the Administration on Aging to the Department as a result of the federal reallocation process shall be allocated to all AAAs in accordance with Section 9112, Welfare and Institutions Code. All supplemental administration funds not expended or encumbered by June 30 of the state fiscal year shall revert back to the Department and be re-allocated to all AAAs, in accordance with the formulas used for the original allocation of the Title III federal program funds. The use of the re-allocated funds shall be restricted to the purposes specified in (a)(9) of this section. These funds shall not be used to increase an AAA's baseline allocation.

(9) Titles III and VII federal funds, which have been re-allocated to an AAA pursuant to subdivisions (6), (7), and (8) of this section, shall be used solely for the following purposes:

(A) The purchase of equipment which enhances the delivery of services to the eligible service population.

(B) Home and community-based projects, which are approved in advance by the Department, and are designed to address the unmet needs of the eligible service population identified in the area plan.

(C) Innovative pilot projects, which are approved in advance by the Department, and are designed for the development or enhancement of a comprehensive and coordinated system of services as defined in 45 CFR 1321.53(a) & (b).

(10) Nutrition Services Incentive Program (NSIP) funds re-allocated pursuant to subdivisions (6), (7) and (8) of this section shall be used only to purchase food in the Elderly Nutrition Program.

(11) Notwithstanding subdivisions (6), (7), and (8) of this section, federal funds allotted by the Administration on Aging to the Department for the implementation of new programs may be re-allocated in a subsequent fiscal year to the same AAA that received the original allocation. The period of exemption shall not exceed four years from the enactment of the new program. The use of the re-allocated funds shall be restricted to the purposes specified in (a)(9) of this section. These funds shall not be used to increase an AAA's baseline allocation.

(b) An AAA may transfer federal funds from one program to another in accordance with the following:

(1) Funds allocated for administration may be transferred, without limitation, to Title III B, C-1, C-2 and/or E programs.

~~(2) Up to 25 percent of an AAA's allocation for Title III B programs may be transferred to Title III C-1 and/or C-2 programs~~ Program funds may be transferred between Title III B and Title III C in accordance with 42 U.S.C. 3028(b)(4)(A), except that funds allocated to the Ombudsman program shall be used only for that program.

~~(3) Up to 30 percent of an AAA's Title III C-1 program allocation may be transferred to Title III C-2, or vice versa. Program funds may be transferred between Title III C-1 and Title III C-2 in accordance with 42 U.S.C. 3028(b)(5)(A).~~

~~(4) Up to five percent of an AAA's Title III C-1 and/or C-2 programs allocations may be transferred to Title III B programs.~~

~~(5) (4) The Department may allow an AAA to transfer more than the percentages specified in (2) through (4) providing both of the following conditions exist:-~~ In accordance with 42 U.S.C. 3028(b)(4)(A), the Department may allow an AAA to transfer more than the percentages specified in federal law, provided the following conditions exist:

(A) The AAA presents justification for the additional transfer. The justification shall include a detailed description of the following: (i) the purposes of the transfer; (ii) the need for the transfer; and, (iii) the impact on the delivery of services in the program from which the transfer is requested.

(B) The Department determines that it still will be able to comply statewide with the federal expenditure mandates.

(c) Program funds may be spent on program development and coordination only after an AAA has used all of its allocation for administration.

NOTE

Authority cited: Section 9105, Welfare and Institutions Code. Reference: Sections 42 U.S.C. 3025(a)(2)(C), 42 U.S.C. 3028, 42 U.S.C. 3030a, 42 U.S.C. 3030s-1, 42 U.S.C. 3058a, and Section 9100, 9112 and 9719.5, Welfare and Institutions Code.